

City of Detroit


CITY COUNCIL

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TO: Charles Beckham, Director
General Services Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director 

DATE: April 17, 2007

RE: 2007-2008 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2007-2008 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General
Roger Short, Finance Director
Pamela Scales, Budget Director
Tanya Stoudemire, Budget Manager
Kandia Milton, Mayor's Office

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General Services (47)

FY 2007-2008 Budget Analysis by the Fiscal Analysis Division

Summary

The General Services Department is a General Fund agency. The recommended 2007-2008 General Fund appropriation budget is \$67.21 million, a \$7.95 million increase over the current year's Redbook budget. The department's capital improvement appropriation is \$4.48 million, an increase of \$3.287 million over the current year's budget.

This first year department has taken on overhead functions common to supporting city operations. It was the goal in 2006-2007 that staff and contracts from major departments would be transferred to the General Services Department, potentially saving money and freeing up these departments to focus on their vital field operations.

2006-2007 Surplus/Deficit

The Budget Department has projected a \$4.65 million deficit for General Services - \$3.93 million in appropriations and \$723,000 in revenues.

Overtime

The recommended 2007-2008 overtime budget is \$1.67 million. The current year's overtime budget is \$1.75 million. \$1.67 million has been spent on overtime through March 31, 2007.

Personnel and Turnover Savings

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2006-07</u>	<u>Filled Positions 03/31/2007</u>	<u>Mayor's Budget Positions FY 2007-08</u>	<u>Over/(Under) Actual to 06/07 Budget</u>
General Services (47):				
470005 Administration	7	9	7	2
470007 Administrative Support Unit	0	0	3	0
470008 Property Management	1	4	2	3
11825 Administration	8	13	12	5
470010 Facility and Grounds Maintenance	0	0	4	0
470015 Grounds Maintenance	105	87	136	(18)
470020 Building Services	93	69	91	(24)
480030 Skilled Trades	94	85	89	(9)
470035 Security	34	43	46	9
470037 D-DOT Security	0	0	23	0

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2006-07</u>	<u>Filled Positions 03/31/2007</u>	<u>Mayor's Budget Positions FY 2007-08</u>	<u>Over/(Under) Actual to 06/07 Budget</u>
General Services (47):				
11830 Facility & Grounds Maint.	326	284	389	(42)
470040 Inventory Management	0	3	8	3
470050 DPW Stores	6	5	2	(1)
470060 Fire Apparatus Stores	2	2	4	0
470070 Recreation Stores	2	3	1	1
470080 PLD Stores	2	2	1	0
470085 Health Stores	0	0	1	0
470095 Police Stores	0	0	1	0
11831 Inventory Management	12	15	18	3
470100 Fleet Management	204	189	175	(15)
470200 Non Park Forestry- Street Fund	38	28	42	(10)
470400 Freeway Berm Grass Cutting	21	1	21	(20)
12154 Non Park Forestry - Street Fund	59	29	63	(30)
470150 Park Development Workforce	19	11	19	(8)
12171 Park Development Workforce	19	11	19	(8)
Leave of Absence	0	(4)	0	(4)
Workman's Comp	0	(2)	0	(2)
TOTAL	<u>628</u>	<u>535</u>	<u>676</u>	<u>(93)</u>

The salary and wage accounts total \$25.59 million and divided into 676 positions that is an average salary of \$37,800. A total of 48 positions are being transferred from other agencies, including 23 security staff from DDOT.

There is no turnover savings being taken this year, although there are currently 93 vacant positions

Significant Changes in Funding

Salary and wage appropriations increase by \$4.68 million - \$2.1 million of it is to restore the 10% wage reduction; the other \$2.59 million is to cover the 48 positions transferring into General Services.

Contractual Services increase by \$1.1 million, for security and miscellaneous services.

Operating Supplies increase by \$1.2 million, for fuel and auto tires.

Operating Services have some large swings in various accounts with a net increase of \$65,000.

Issues and Questions

1. What were some of the difficulties in setting up this new department?
2. What sorts of savings could be realized when negotiating contract renewals for janitorial services?
3. Please explain why no turnover savings is being taken in the recommended budget, when there are 90 vacancies, plus any vacancies in the 48 positions transferring in?
4. What positions were transferred from Police and Recreation? Do the 23 from DDOT, 11 from PLD, 2 from Fire, 1 from DPW and 8 from ITS make up 45 of the 48?
5. Where are the 25 Vehicle Operators coming from in Ground Maintenance?
6. If Inventory Management is going to have a contractor manage it, why are there an additional 6 positions?
7. Why is Fleet Management being reduced by 29 positions? Why is the fuel account increasing by \$777,000? What have been the actual fuel consumption (in gallons) and expenditures for the last three years?
8. Why was PLD security included in the consolidation this year and not last year? Why isn't there a revenue set up for DDOT to "reimburse" for the 23 security guards, similar to the risk management payment? Will these guards still be assigned to DDOT?
9. Would City Engineer be considered in the future to be moved to General Services?
10. Is the Police Department's staff for the Fleet & Equipment Maintenance function now part of GSD?
11. Please explain, in great detail, how the department proposes to have a vendor manage the Fleet Storerooms.
12. Please explain in detail the projects to be completed with the \$4.48 million in bond funds. Which parks will receive safety corrections and renovations? What security improvements will be made with the \$3.287 million? Please provide details.